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U.S.

Justice Department Says It Will Stop Using Private Prisons

U.S. plans to phase out deals by letting contracts expire



An Idaho prison run by Corrections Corp. of America.

PHOTO: TODD MEIER FOR THE WALL STREET JOURNAL

By [Devlin Barrett](#) and [Austen Hufford](#)

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WASHINGTON—The Justice Department plans to phase out use of private prisons, a move that affects a small percentage of the nation's prisoners but could signal a broader effort to get states to follow suit.

The decision was outlined in [a memo](#) from U.S. Deputy Attorney General Sally Yates on Thursday, who said private prisons compare poorly to those run by the government.

“They simply do not provide the same level of correctional services, programs, and resources; they do not save substantially on costs, and...they do not maintain the same level of safety and security,” Ms. Yates said.

The Justice Department's decision affects a fraction of the overall U.S. prisoner population because most of the country's prisoners are in state prison systems. It also

won't affect how federal immigration authorities contract for prison housing or the U.S. Marshals Service, which uses private prison facilities to temporarily jail suspects and convicts.



Deputy Attorney General Sally Yates on Thursday said the Justice Department plans to phase out use of private prisons.

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In 2014, the most recent year for which data was available, the Justice Department's Bureau of Prisons spent \$639 million on contracts with three private-prison companies: Corrections Corp. of America, GEO Group Inc. and Management & Training Corp.

Shares of GEO and Corrections Corp. fell sharply on the news, sliding 40% and 35%, respectively, on Thursday.

A CCA spokesman said the contracts affected by Thursday's announcement represent only 7% of their business, and noted the company has been expanding into other services, like re-entry services for soon-to-be freed prisoners.

"We value our partners and we will continue to work with them, both through the types of management solutions we've provided for more than three decades, as well as new, innovative opportunities we've been exploring in recent years," the spokesman said.

GEO said it has a longstanding relationship with the Bureau of Prisons and highlighted its rehabilitation programs. "The impact of this decision on GEO is not imminent," the company said.

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Privately held Management & Training said it was “disappointed” in the announcement and that it will result in “a very heavy cost to taxpayers.”

The Justice Department’s use of private prisons peaked in 2013, when they housed about 15% of federal inmates. Earlier this month, privately managed prisons held about 22,100 inmates, or about 11% of the total. By next year, that figure is expected to be less than 14,200 inmates.

Ms. Yates said the department would reduce reliance on private operators by not renewing contracts, or renewing some contracts for significantly smaller numbers of inmates.

The U.S. Bureau of Prisons began using private prisons in 1997. Most of the federal inmates in private prisons are non-U.S. citizens serving prison sentences before being deported. Six of the 14 private prisons for federal inmates are located in Texas, according to Justice Department officials.

It is unclear what the cost impact of the Justice Department’s decision may be for taxpayers. The inmate population in the federal prison system has recently begun dropping, ending decades of explosive growth fueled by changes to sentencing laws in the 1980s.

Also, the process of ending private prisons is likely to take years, given the current and upcoming contracts. For example, the federal Bureau of Prisons is amending an upcoming contract from covering as many as 10,800 prison beds to no more than 3,600 prison beds.

The Justice Department's inspector general in a report released this month found that privately operated prisons have more safety and security incidents per prisoner than comparable federally operated prisons.

A potential reason for the discrepancy could be quality of staff. Private prisons typically have higher turnover rates for their employees and lower rates of pay than government-run prisons, according to Eric Lambert, chairman of the Department of Legal Studies at the University of Mississippi, who has researched the difference in staff well-being at the two types of institutions.

Mr. Lambert, who was previously a correctional officer for the federal government, said private-prison employees often complain of lower levels of training.

"Staff are your most expensive and most critical resource," Mr. Lambert said. "If they are stressed and unhappy, it will show."

Prison operating companies have said the populations that private facilities serve are different than those served by public institutions, factoring into the difference in incident rates. The report said it didn't take into account inmate demographics in its findings.

CCA disputed the findings, saying they "simply don't match up to the numerous independent studies that show our facilities to be equal or better with regard to safety and quality, or the excellent feedback we get from our partners at all levels of government."

As of this month, GEO held 12,641 federal prisoners; Corrections Corp., 5,606; and Management & Training, 3,857. In 2015, 21% of GEO's bed capacity primarily served the Bureau of Prisons and 8.8% of Corrections' capacity was for the bureau.

Sen. Patrick Leahy, the senior Democrat on the Senate Judiciary Committee, said the Justice Department's decision should be extended to immigration agencies.

"We must insist that these changes are adopted by all federal agencies, including the Department of Homeland Security, which relies heavily on private prisons even for housing vulnerable mothers and children," said Sen. Patrick Leahy (D., Vt.).

"Incarceration should not be a for-profit business."

Corrections & Amplifications:

The Justice Department plans to phase out use of private prisons. An earlier version of

this article incorrectly stated the federal government plans to phase out private prisons.

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